Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

Inquiry into Disbursement Process for the) WC Docket Nos. 11-42, 03-109
Universal Service Fund Low Income Program)

COMMENTS OF CENTURYLINK

In its Public Notice, the Wireline Competition Bureau (Bureau) seeks comment on a proposal to change the process for disbursing Universal Service Fund Low-Income Program support. CenturyLink is a provider of Lifeline and Link Up services in many states throughout the country and generally supports the Bureau's proposed changes to distribute program support for those services based on actual support claims.

Filing Deadlines. A monthly filing deadline for submitting support claims should be later in the month, such as the 25th of the month. This would allow providers sufficient time to gather the necessary data from the previous month and prepare and submit the Form 497. CenturyLink has no objection to the proposal to allow quarterly reimbursements based on quarterly claims submissions. Nor does CenturyLink object to the proposal to require *original* claims for reimbursement to be filed within six months of the last day of the month in which the provider credited the program support to the customer.

But, the Commission should not shorten the window for filing *revised* claims from fifteen months to six months. Errors, disputes, or other issues that trigger revised Form 497 filings simply may take more than six months to discover or resolve and then correct. Further, any

¹ Public Notice, Inquiry into Disbursement Process for the Universal Service Fund Low Income Program, 26 FCC Rcd 13131 (2011); 76 Fed. Reg. 64882 (Oct. 19, 2011).

window for filing revised claims should be symmetrical such that adjustments for either overpayments or underpayments cannot be sought or recovered once the window closes.² It is unreasonable and unfair to continue to have a period for USAC to adjust overpayments to providers that is longer than the period in which providers can seek to adjust underpayments by USAC. Allowing a longer period than six months, such as a year or the current fifteen months, but limiting *all* revisions once this period has passed, would afford a reasonable opportunity for correcting any errors or making any other appropriate adjustments in prior Form 497 submissions while also affording finality to the disbursement process for all involved.

Transition Period. CenturyLink also agrees with the proposed true-up prior to transitioning to support disbursed based on actual discounts provided to customers. But, the period of time that providers are without reimbursement for support already provided to customers during the transition should be kept short – preferably not longer than a month. Accomplishing the true-ups as expediently as possible will keep any potential cash flow problems resulting from the transition to a minimum.

To the extent a true-up results in an amount owed by the provider for program support previously received, USAC proposes to net that against the provider's next monthly support payment, but otherwise invoice the provider the remaining negative balance.³ CenturyLink views that the better approach for most, if not all, Lifeline providers would be to net any negative balance against future monthly support amounts until it was fully netted out. This would eliminate the administrative burdens of invoicing for these amounts. At a minimum, the Bureau

² A similar symmetry should also apply to any audits of Lifeline support amounts such that any overpayment or underpayments in an audit should always be offset. The Commission and USAC should eliminate the current practice of recovering underpayments from carriers without offsetting overpayments from carriers discovered in the same audit.

³ Public Notice, 26 FCC Rcd at 13140, Appendix A ¶ 10.

should consider establishing a threshold amount for the invoices, *e.g.*, \$1,000.00, such that negative balances below that amount would not be invoiced, but instead netted against the next monthly payment (and future payments, if necessary, until fully netted out). This would avoid inefficiently invoicing providers for very low negative balances resulting from the true-up.

Transition Date. No matter when it occurs, the transition will not be convenient and it is preferable to move forward and get it done once the decision has been made to implement the proposed changes. But, it would be better to avoid starting the transition during the upcoming holiday season and end-of-year business activities. It also may be better to accomplish the transition as much as possible within a calendar quarter. As such, commencing the transition in April 2012, may be best, while permitting those who wish to do so the option to transition earlier.

Respectfully submitted,

CENTURYLINK

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CERTIFICATE OF SERVICE

I, Ross Dino, do hereby certify that I have caused the foregoing **COMMENTS OF CENTURYLINK** to be: 1) filed with the Office of the Secretary, Federal Communications

Commission, via its Electronic Comment Filing System in WC Docket Nos. 11-42 and 03-109;

2) served via email on Mr. Charles Tyler, of the Telecommunications Access Policy Division,

Wireline Competition Bureau, at Charles.Tyler@fcc.gov; and 3) served via email on the FCC's duplicating contractor, Best Copy and Printing, Inc. at fcc.gov; and 3) served via email on the FCC's

/s/ Ross Dino

November 18, 2011